GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:911
ANSWERED ON:01.03.2016
Industry Status to Agriculture Sector
Arunmozhithevan Shri A.;Shetti Shri Raju alias Devappa Anna

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether the agricultural activities have shown a declining trend in the country for quite some time now;

(b) if so, the details thereof and the steps taken by the Government to promote agricultural activities in the country;

(c) whether there is a long pending demand of the farmers to provide industry status to agriculture sector in the country;

(d) if so, the details thereof and the action taken by the Government to accord industry status to the agriculture sector in order to attract investment and enhance growth rate of agriculture;

(e) whether the Government proposes to prepare an "independent budget" for agriculture; and

(f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) & (b): Yes, Madam. There has been a decline in the percentage share of Agriculture and Allied Sector in the Gross Value Added (GVA) (earlier referred as Gross Domestic Product) from 18.5% in 2011-12 to 16.3% in 2014-15 (advance estimate released on 08.02.2016) at constant (2011-12) prices. The falling share of Agriculture and Allied sector is an expected outcome in structurally changing economy. The Government has taken several new initiatives to promote agricultural activities. The strategy is to focus on farmers' welfare by making farming viable. Farm viability is possible, when cost of cultivation is reduced, yields per unit of farm are increased and farmers get remunerative prices on their produce. The Department has been implementing various schemes to meet this objective.

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(i) Soil Health Card (SHC) scheme by which the farmers can know the major and minor nutrients available in their soils which will ensure judicious use of fertilizer application and thus save money of farmers. The balanced use of fertilizer will also enhance productivity and ensure higher returns to the farmers.

(ii) Neem Coated Urea is being promoted to regulate urea use, enhance its availability to the crop and reduce cost of fertilizer application. The entire quantity of domestically manufactured urea is now neem coated.

(iii) Paramparagat Krishi Vikas Yojana (PKVY) is being implemented with a view to promote organic farming in the country. This will improve soil health and organic matter content and increase net income of the farmer so as to realize premium prices.

(iv) The Pradhan Mantri Krishi Sinchai Yojana (PMKSY) is being implemented to expand cultivated area with assured irrigation, reduce wastage of water and improve water use efficiency.

Government has also recently approved a new crop Insurance scheme namely Pradhan Mantri Fasal Bima Yojana (PMFBY) to replace National Agricultural Insurance Scheme (NAIS) and Modified NAIS (MNAIS) from Kharif 2016 season. PMFBY has addressed all the shortcomings in the earlier schemes and would be available to the farmers at very low rates of premium. This scheme would provide insurance cover for all stages of the crop cycle including post-harvest risks in specified instances. Some salient features are:-

(a) Farmers have to pay the lowest ever premium rate.

(b) There will be a uniform premium rate for farmers for entire country − 2% maximum for Kharif food & Oilseed crops, 1.5% maximum for Rabi food & Oilseed crops and 5% maximum for Annual Horticultural/Annual Commercial crops.

(c) The remaining financial burden will be borne by the Government.

(d) Farmers will get full insurance cover-there will be no "capping" of the Sum Insured and consequently, claim amount will not be cut or reduced.

(e) For the first time, inundation has been included under localized risk cover, in addition to hailstorm and landslide. Individual farm level assessment of crop loss will be done for this.

(f) For the first time, post harvest losses arising out of cyclones and unseasonal rains through out the country have been covered.

(g) For the first time, emphasis has been given to mobile and Satellite Technology to facilitate accurate assessment and quick settlement of claims.

(h) Crop Insurance Portal has been launched. This will be used extensively for better administration, co-ordination, dissemination of information and transparency.

(i) Coverage of areas to be increased from 23%, at present to 50% in 2 to 3 years.

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Further the Government undertakes procurement of wheat and paddy under its 'MSP operations'. In addition, Government implements Market Intervention Scheme (MIS) for procurement of agricultural and horticultural commodities not covered under the Minimum Price Support Scheme on the request of State/UT Government, in order to protect the growers of these commodities from making distress sale in the event of bumper crop when the prices tend to fall below the economic level/cost of production.

(c) & (d): Government has been receiving suggestions from various quarters to accord status of industry to agriculture. However, Government seeks to bestow on the agriculture sector as many benefits as available to those in the manufacturing sector, such as, easy availability of credit and other inputs and infrastructure facilities for development of agriculture sector including marketing and post harvest management. Further, Government has launched a comprehensive crop insurance scheme called 'Pradhan Mantri Fasal Bima Yojana' (PMFBY) which cover the risks-and uncertainties that the farm sector is exposed to.

(e) & (f): Agriculture is intrinsically linked to various other sectors like road, power, irrigation, land revenue etc., which are covered under the General Budget. It is, therefore, necessary to continue to maintain such linkage and hence, a separate budget for agriculture would not be feasible.

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